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**Date:** March 14, 2013

**To:** Burlington Board of Finance

**From:** John Irving

**Re:** Turbine Maintenance Contract for Years 2013 - 2015

The current contract for maintenance for the McNeil turbine generator has expired. Historically, we have had the original equipment manufacturer, OEM, (Alstom) perform this maintenance, due to the specialized tools, talents and parts necessary for our Swiss turbine. In accordance with Burlington purchasing procedures, we solicited competitive bids for this work. During the next three years, there are no major overhauls planned, only the minor annual overhauls as well as the annual inspections.

Requests for proposals (RFP's) were sent to four turbine maintenance entities for competitive bidding regarding McNeil's turbine contract for years 2013 through 2015. The request was sent to Alstom Power Service, Turbine Generator Maintenance, Turbo Care/Siemens Inc., and Power Plant Services.

Turbine Generator Maintenance did not supply a proposal in the required timeframe, nor did Power Plant Services. Turbo Care supplied a lump sum proposal for annual inspections and time and material rates for annual outages. Alstom supplied a lump sum proposal both for annual inspections and for annual outages, with a breakdown of pricing.

Comparing annual inspection proposed pricing from the two Bidders, Alstom was the low bidder at \$12,200 per annual inspection versus Turbo Care's proposed price of \$15,170 per annual inspection. Comparing Alstom's and Turbo Care's labor rates, they are similar though there was some variance. For example, Alstom's labor rate for Mill Wright Foremen is \$72.50/hr. while Turbo Care's labor rate for a Mechanical Labor Supervisor is \$100/hr. Another example, Alstom's labor rate for a Specialized Advisor is \$264/hr. while Turbo Care's labor rate for a Specialty Engineer is \$260/hr. or a Technical Field Advisor is \$200/hr.

Based on the lowest evaluated cost and that Alstom is the OEM, I recommend that we award the turbine maintenance contract to Alstom Power Service, Alstom Proposal No. L0057 Rev. H. We have had an excellent history with this company in providing these services to McNeil Station.

Do not hesitate to contact me with any questions you may have.

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6 AUTHORIZATION TO CONTRACT  
7 WITH ALSTOM POWER, INC.  
8 FOR MAINTENANCE OF THE MCNEIL  
9 STATION TURBINE GENERATOR  
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15 In the year Two Thousand Thirteen.....

16 Resolved by the City Council of the City of Burlington, as follows:  
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18 That WHEREAS, the current contract for maintenance of the McNeil Generating Station  
19 (“McNeil”) turbine generator has expired; and

20 WHEREAS, the Burlington Electric Department (“BED”) desires to enter into a contract  
21 with a capable company to perform the turbine generator maintenance for years 2013 to 2015;  
22 and

23 WHEREAS, pursuant to the City of Burlington’s purchasing procedures, BED solicited  
24 competitive bids for this work and sent requests for proposals (“RFP’s”) to four turbine  
25 maintenance entities; and

26 WHEREAS, Alstom Power Service, Inc. (“Alstom”) submitted the bid having the lowest  
27 evaluated cost; and

28 WHEREAS, Alstom is the original equipment manager (“OEM”) and BED has  
29 historically had the OEM perform this maintenance due to the specialized tools, talents and parts  
30 necessary for McNeil’s Swiss turbine; and

31 WHEREAS, the total value of this three-year BED-Alstom turbine generator  
32 maintenance contract equals \$268,400; and  
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1 AUTHORIZATION TO CONTRACT  
2 WITH ALSTOM POWER, INC.  
3 FOR MAINTENANCE OF THE MCNEIL  
4 STATION TURBINE GENERATOR  
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8 WHEREAS, at its regularly scheduled meeting on March 13, 2013, the Burlington Board  
9 of Electric Commissioners unanimously voted to approve Alstom's proposal and authorized  
10 BED to enter into a contract with Alstom for maintenance of the McNeil turbine generator.

11 NOW THEREFORE, BE IT RESOLVED by the City Council that the proposal of  
12 Alstom is hereby approved and that BED is hereby authorized to accept the proposal and  
13 contract with Alstom for maintenance of the McNeil turbine generator; and

14 BE IT FURTHER RESOLVED, that Barbara L. Grimes, BED General Manager, or her  
15 designee(s), be and hereby is authorized to execute said contract with Alstom on behalf of BED  
16 with terms that are subject to final review and revision by the City Attorney or her designee.